

CITY OF OREM  
CITY COUNCIL MEETING  
56 North State Street Orem, Utah  
April 29, 2014

**3:00 P.M. WORK SESSION – PUBLIC SAFETY TRAINING ROOM**

CONDUCTING Mayor Richard F. Brunst, Jr.

ELECTED OFFICIALS Councilmembers Hans Andersen, Margaret Black, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner

APPOINTED STAFF Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Richard Manning, Administrative Services Director, Greg Stephens, City Attorney; Karl Hirst, Recreation Director; Scott Gurney, Interim Public Safety Director; Keith Larsen, Traffic Operations Section Manager; Charlene Crozier, Library Director; Steven Downs, Assistant to the City Manager; Brandon Nelson, Accounting Division Manager; and Taraleigh Gray, Deputy City Recorder

**DISCUSSION – CARE Grant Allocations**

The City Council discussed CARE Grant Allocation Proposals. At the start of the discussion Mrs. Black distributed a 2014 CARE Allocation Proposal which reported the following:

**Facilities**

• Recreation Commitments	\$598,000
• Center for Story Commitment	\$300,000
Total Facilities	\$898,000

**Mini Grants**

• Colonial Heritage Foundation	\$4,999
• The Orem Choral	\$4,500
• Latinos in Action	\$4,500
• Flix for Charity	\$0
• Utah Valley Choral Society	\$4,500
• Utah Valley Young Voices	\$0
• Utah Storytelling Guild	\$4,000
• Roots of Freedom Foundation	\$4,999
• Utah Baroque Ensemble	\$4,500
• Chauntenette Women's Chorus	\$4,500
• Utah Film Center	\$1,000
• Center State Performing Arts Studio	\$4,000
• UVU (Noorda Theater)	\$0

- Utah Valley Civic Ballet Company           \$4,500
- Resonance Story Theater                 \$4,000
- Total Mini Grants                     \$49,998

**Major Grants**

- Utah Regional Ballet                     \$40,000
- SCERA                                     \$500,000
- Hale Center Foundation                 \$370,088
- Utah Valley Symphony                  \$7,500
- Utah Lyric Opera                         \$7,500
- Total Major Grants                   \$925,088

**Grand Totals**

- Facilities                                 \$898,000
- Mini Grants                               \$49,998
- Major Grants                             \$925,088
- Administrative Costs                   \$24,751

Total Allocations	\$1,897,837
Total Available CARE Tax Revenues	\$1,897,837

Mayor Brunst proposed allocating \$35,000 to Utah Regional Ballet, \$365,088 to the Hale Center Foundation, and allocating \$510,000 to the SCERA.

Mr. Andersen suggested giving \$625,000 to the SCERA, and giving \$245,088 to the Hale Center Foundation. Mr. Andersen suggested that, in so doing, the SCERA could assist in carrying out a Fourth of July celebration in Orem.

Mr. Spencer said he would like to see the SCERA receive funds as high as \$550,000 and asked for respect from other Council members for his opinion and suggestion. He made the suggestion that funds be allocated in the following way: \$30,000 for the Utah Regional Ballet, \$355,088 for the Hale Center Foundation, and \$525,000 for the SCERA.

Mr. Seastrand recommended granting \$35,000 to the Utah Regional Ballet, \$350,088 to the Hale Center Foundation, and \$525,000 to the SCERA.

Mr. Sumner said he wanted to see the SCERA receive \$600,000 and suggested giving \$30,000 to Utah Regional Ballet and \$270,088 to the Hale Center Foundation to allow the SCERA to receive \$600,000.

Mr. Macdonald stated that he was in favor of any CARE allocation suggestion that would suit the entire Council and did not give any specific recommendations for CARE allocation.

A common concern within the Council was finding the best way to allocate the funds in a “most bang for your buck” manner. Mayor Brunst suggested finding a common ground in allocating approximately \$525,000 to the SCERA. He encouraged suggestions and further discussion to take place via email.

The City Council did not reach consensus on CARE fund allocation and planned to revisit the discussion at the next City Council meeting.

### PRESENTATION – FY 2015 Budget – Part 1

Jamie Davidson, City Manager, introduced the budget presentation as part one of a three-part discussion on the FY 2015 budget. State law required tentative budgets to be presented to City Councils by the first scheduled meeting in May. The tentative budget was scheduled to go before the City Council at the May 13, 2014, regular meeting. Mr. Davidson emphasized the City's desire for the budget discussion process to be collaborative in nature.

He said the information came from recommendations made by staff, with the purpose to (1) provide an overview of where Orem had been, (2) discuss "big rocks" included in the 2015 FY budget, and (3) give perspective of where Orem was headed. The second and third budget discussions were to be more granular conversations where each department would have time to speak with the Council on specific issues relating to each department.

Mr. Davison said this was a multimonth process which began in January, 2014. He said he was confident the budget was balanced and gave thanks to Richard Manning, Administrative Services Director, and Brandon Nelson, Accounting Division Manager, who took the financial leads in the budget process.

### **Areas of Focus**

Brenn Bybee, Assistant City Manager, reviewed the City Council's Areas of Focus for 2014-2015:

- Communication
- Employee Development
- UTOPIA
- City Facilities
- State Street
- Financial Sustainability
- Harmony

### **Budget Guiding Principles**

Mr. Bybee introduced the Budget Guiding Principles and said the principles gave a summary of industry standards that cities use and refer to as cities decide where budget dollars go:

- City Council – Incorporate policies and vision of the City Council.
- Self-Sustaining – Enterprise funds should be self-sustaining.
- One-Time Money – One-time money should be used for one-time expenses.
- Ongoing Money – Use sustainable, ongoing revenue sources to pay for ongoing expenses.
- Asset Management
  - Develop capital facility master plans for buildings, utilities, and other significant City infrastructure:

- Master plans should include strategic operations, maintenance, and replacement guidelines with supporting financial plans. Financial plans should justify rate structures that support the implementation of a master plan. Adopt rate structures that support the implementation of a master plan for a five-year period and redevelop plans every five years.
- Compensation – Develop and follow a market-driven compensation plan that will entice and retain good, quality employees.
- Vehicle Replacement – Fund an annual vehicle replacement plan that prioritizes the replacement of qualified vehicles.
- Revenue Sources
  - Evaluate the health of revenue sources on a regular basis.
  - The General Fund should be supported by diverse, stable revenue sources that do not collectively cause dramatic fluctuations over time.
- Reserves - Develop and maintain healthy enterprise fund reserves to sustain impacts of emergencies. Manage the General Fund reserves consistent with State law.
- Planning
  - Plan ahead with the big picture in mind.
  - Provide a means for employees across department lines to consult with each other during planning processes. Seek community input through a variety of means, for example, a regular citizen survey.
- Debt will only be used for projects that cannot be reasonably afforded through a pay-as-you-go savings plan. For example, a pay-as-you-go scenario may be rejected if to do so would require cutting services or increasing service fees higher than practical.

## **Stewardship Report**

Mr. Bybee presented the following stewardship report from the FY 2013-2014 budget year and attributed specific accomplishments to the City Council's Areas of Focus:

- City Manager
  - Separation of Public Safety Departments – *Harmony*
  - Replaced Critical Positions – *Employee Development*
  - Met UTOPIA Obligations – *UTOPIA*
  - Joined EDCUtah – *Financial Sustainability*
  - Core Network Upgrade – *City Facilities*
- Administrative Services
  - No Increase in Health Costs to City (63% of employees on HAS) – *Financial Sustainability*
  - RDA Governance & Compliance Report – *Financial Sustainability*
  - Received Risk Management Dividend – *Financial Sustainability*
- Legal Services
  - Continued Work on Significant Legal Cases (personnel-related, Northgate, referendum) – *Harmony*
- Development Services
  - University Place – PD-34 Zone – 1,300,000 Square Feet of Retail Space, 600,000 Square Feet of Office Space, and 1500 Residential Units – *State Street & Financial Sustainability*
  - Comprehensive Update to the Sign Code – Chapter 14 Signs – *State Street*

- HVAC and Roof Repairs – *City Facilities*
- Recreation
  - Fitness Center Remodel and Addition – *City Facilities*
  - Resurfaced the Zero-Entry Pool at SCERA – *City Facilities*
- Public Works
  - Palisade Park Construction – *City Facilities*
  - New Shade Structures, Backdrops, and Bleachers – *City Facilities*
  - Back-up Generator for the Water Wells – *City Facilities*
  - Alta Springs and Center Street Water Lines – *City Facilities*
  - Road Maintenance Plan Projects – *City Facilities*
  - 800 East and 1200 West Reconstruction – *City Facilities*
  - 800 North Trail – *City Facilities*
  - UV Project at Water Reclamation Facility – *City Facilities*
  - Williams Farm Detention Pond – *City Facilities*
- Library
  - Capital Replacement & Repair Plan – *City Facilities*
  - Replaced Critical Positions – *Employee Development*
- Public Safety
  - Rapid Intervention Team (RIT)/Self-Rescue Training (off-duty) – *Employee Development*
  - New Ambulance – *Financial Sustainability*
  - Additional HazMat Supplies – *City Facilities*
  - Resolved Significant Cases – *Harmony*

## Revenues

Mr. Manning provided the following information on City revenues forecast by fund

Revenues: Forecast by Fund				
Fund	Revenues	Interfund Transfers In	Appropriation of Surplus	Total
General	\$43,491,963	\$5,712,022	\$0	\$49,203,985
Road	\$2,305,000	\$0	\$0	\$2,305,000
CARE	\$1,710,000	\$0	\$0	\$1,710,000
Debt Service	\$2,626,826	\$4,714,290	\$0	\$7,341,116
Capital	\$240,000	\$0	\$0	\$240,000
Water	\$11,419,000	\$892,377	\$0	\$12,311,377
Water Reclamation	\$7,017,851	\$10,000	\$0	\$7,027,851
Storm Sewer	\$3,010,500	\$100,000	\$0	\$3,110,500
Recreation	\$1,543,000	\$125,000	\$158,088	\$1,826,088
Solid Waste	\$3,010,500	\$100,000	\$0	\$3,397,000
Fleet	\$0	\$652,000	\$0	\$652,000
Purchasing	\$0	\$363,000	\$0	\$363,000
Self-Insurance	\$500,000	\$1,175,000	\$0	\$1,675,000
StoryTelling	\$285,000	\$10,000	\$0	\$295,000
Orem Foundation	\$10,000	\$0	\$0	\$10,000
CNS	\$734,500	\$47,048	\$0	\$781,548

Sr. Citizens	\$51,250	\$0	\$0	\$51,250
Telecom Billing	\$60,000	\$0	\$0	\$60,000
<b>TOTAL</b>	<b>\$78,401,890</b>	<b>\$13,800,737</b>	<b>\$158,088</b>	<b>\$92,360,715</b>

Mr. Manning provided the following information on City revenue sources:

<b>Revenues: Sources</b>		
<b>Revenue Description</b>	<b>Amount</b>	<b>Percent</b>
Sales Tax	\$18,000,000	19.49%
Water Fees	\$11,368,000	12.31%
Property Taxes (General)	\$6,433,188	6.96%
Property Taxes (G.O. Bonded Indebtedness)	\$1,939,601	2.1%
Franchise Taxes	\$8,050,000	8.72%
Water Reclamation Fees	\$7,002,851	7.58%
General Fund Charges to Other Funds	\$5,712,022	6.18%
Debt Services	\$5,401,515	5.85%
Solid Waste Fees	\$3,396,000	3.68%
Storm Water Fees	\$2,990,200	3.24%
Excise Taxes (Gas Tax)	\$2,300,000	2.49%
Police/Fire Contracted Services	\$1,725,500	1.87%
CARE Tax Revenues	\$1,680,000	1.82%
Recreation Fees	\$1,536,200	1.66%
Ambulance Fees	\$1,330,000	1.44%
Court Fees	\$1,278,500	1.38%
Building Permit & Construction Fees	\$994,500	1.08%
Grants	\$865,000	0.94%
E911 Fees	\$650,000	0.70%
Business Licenses	\$625,000	0.68%
Cemetery Fees	\$520,000	0.56%
Interest Income	\$405,750	0.44%
Appropriation of Surplus	\$158,888	0.175%
Other Revenues	\$7,998,000	8.66%
<b>TOTAL</b>	<b>\$92,360,715</b>	<b>100.00%</b>

Mr. Manning provided a General Fund comparison from previous fiscal years:

<b>Description</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>Budget FY 14</b>	<b>Tentative FY 15</b>
Taxes	\$30,172,672	\$31,382,380	\$30,660,000	\$32,588,188
Permits/Licenses	\$1,391,473	\$1,534,393	\$1,379,500	\$1,619,500
Grants	\$1,341,669	\$940,900	\$853,344	\$327,500
Service Fees	\$9,153,286	\$9,368,499	\$9,145,704	\$8,780,853
Fines	\$1,296,545	\$1,245,145	\$1,202,000	\$1,217,500
Misc.	\$2,190,092	\$1,542,955	\$1,257,097	\$1,159,969
Transfers	\$2,299,416	\$2,565,915	\$2,273,221	\$3,510,475
Reserves	\$0	\$0	\$1,922,610	\$0
<b>TOTALS</b>	<b>\$47,865,152</b>	<b>+\$48,580,187</b>	<b>\$48,693,476</b>	<b>\$49,203,985</b>

Mr. Manning drew attention to tax revenue values over the previous few years. Sales tax was monitored and updated monthly and tracked by categories of businesses.

Mayor Brunst said one of Orem's largest tax revenue producers was Costco.

Mr. Macdonald asked about losing an automobile sales lot. Mr. Manning said it had been replaced with a grocery store which was doing better in terms of sales tax revenue.

Mr. Manning went on to say that the City attempted to keep wiggle room in the budget for an economy that could turn south. He reported that Orem was losing dōTERRA, a surprisingly large sales tax generator for the City, but the City was gaining Nordstrom's Rack.

Mr. Manning reported that a portion of franchise tax received from telephone companies was declining and would continue to decline. If services were provided via the internet, no franchise tax was required to be paid.

In sum, Mr. Manning said that year-to-date, Orem was ahead of where it finished last year.

### **“Big Rocks” for FY 2015 Budget**

Mr. Davidson explained some of the “big rocks” for FY 15 budget and related these to the City Council's Areas of Focus:

1. Enterprise Fund Cost Allocation (Water, Water Reclamation, Storm Sewer and Street Lighting) – *Financial Sustainability*
  - State-Mandated Utility Fund Transfers - \$865,000
2. Emergency Communications and Citizen Outreach – *Communication*
  - Mass Communication Software - \$27,000
  - Citizen Newsletter - \$18,000
3. Justice Court and Legal Services Staffing Concerns – *Employee Development*
  - Legal Professional Services - \$40,000
  - Additional Justice Court Personnel - \$22,300
4. Engineering Equipment – *City Facilities*
  - GPS Rovers - \$59,000
5. Traffic and Signal Maintenance – *City Facilities*
  - Signal Maintenance - \$15,000
  - Signage Maintenance - \$7,500
6. Public Safety Life-Safety Equipment and Support (funding, in part, from FY 2014) – *Financial Sustainability*
  - Additional Ambulance / EMS supplies - \$17,000
  - Fire Turnout Gear Additions - \$6,000
  - Police Body Armor Additions - \$4,000
7. Ongoing Fleet Replacement – *Financial Sustainability*
  - Additional Fleet Investment (>\$600K) - \$50,000
8. Employee Health Insurance and Retirement Contributions – *Employee Development*
  - Anticipated Health Insurance Increase - \$189,000
  - Additional Mandatory URS Contribution - \$295,000

- Benefits Consultant (ACA) - \$36,000
- 9. Market Competitive Compensation (funded, in part, from FY 2014) – *Employee Development*
  - FY 2015 Market Adjustment - \$450,000
  - FY 2015 Merit Adjustment - \$125,000
  - Employee Professional Development - \$25,000
- 10. Critical IT / Network / System Replacement (funded, in part, from FY 2014) – *Financial Sustainability*
  - *Additional Software Licensing* - \$5,000
- 11. UTOPIA Debt Service Payments and OPEX – *UTOPIA*
  - Additional UTOPIA Debt Service - \$57,000
- 12. Recreation Fund Operational Support – *Financial Sustainability*
  - Fitness Center Operational Support - \$125,000
- 13. Maintenance and Repair of Critical City Facilities (roof, HVAC, carpeting, elevators, etc.) – *City Facilities*
  - Children’s Library Carpet - \$97,000
  - City Building Roof Repairs - \$75,000
  - City Building HVAC Improvements - \$18,000
  - Elevator Maintenance - \$11,000
  - Public Safety Building Floor Drains - \$5,000
  - Fire Alarm Improvements - \$3,500
- 14. Parks Operation and Equipment Support – *City Facilities*
  - Palisade Park Personnel - \$88,000
  - Palisade Equipment and Additional OPEX needs - \$71,000
  - Playground Equipment Replacement - \$50,000
  - Additional Citywide Park Needs - \$25,000
- 15. Fees for Service Adjustments (development, cemetery, water, storm, sewer, recreation, etc.) – *Financial Sustainability*
  - Water (3/4” meter) - increase \$0.25 / month
  - Storm Sewer (per ESU) - increase \$0.25 / month

Mr. Davidson concluded by naming some future/unfunded projects within the City:

- Streets, Sidewalks, Trails, and Traffic Management, Construction, and Maintenance
- Street Lighting LED Project
- Fire Station #4
- Utility Master Plan Projects
- Ongoing Facility & Fleet Needs
- Additional Staffing Requirements
- Southwest Annexation Needs
- State Street Master Plan Implementation
- Automated Meter Reading

Mayor Brunst asked about the IT structure upgrade and whether it was hardware rather than software. Mr. Davidson said the IT structure upgrade was hardware based and covered data cabling, servers, and network switches in both City Hall and the Public Safety building. There were certain capital replacements that had been passed over during the downturn in the economy, and fleet and IT were examples of such.



Richard Manning added that the City had doubled the life of the servers it was using.

Mr. Davidson said the City had used the servers well past the intended life and, in so doing, had put itself in harm's way. Staff had identified funds to replace the infrastructure and now needed a plan to proactively address a replacement plan for the future. The City was scheduling for review and replacement in order to learn the life of desktop computers and be able to make replacement decisions with that knowledge in mind.

Mr. Davidson indicated that software was another area of attention. A lot of software programs were moving toward more cloud-based products, and that was something the City had to consider as well.

Mr. Seastrand asked if the City anticipated using server farms and if there were reasons to keep serving needs on-site. Mr. Davidson said there were certain privacy issues the City needed to be mindful of. He said he had used Jive, a local voice-over IP telephone solution. This system was an efficient cloud-based system.

Mayor Brunst said he believed Utah was the first state to put its entire system on the cloud.

Mr. Davidson said Mr. Bybee was looking into the possibility of migrating from the GroupWise system with the intent of leveraging old systems to the City's advantage.

Mr. Seastrand said security was critical. There were tools out there that could help the City be more efficient and cost effective.

Mayor Brunst asked how many city attorneys there were.

Mr. Stephens said there were five attorneys on staff, and outside attorneys were hired to address certain litigation, such as Northgate. He said the alternative to hiring outside attorneys for specific projects would be to do it in-house, but that would require hiring more attorneys. The City didn't know year to year how much litigation it would be involved in. In-house attorneys mostly focus on day to day issues within the city.

Margaret Black asked what the current city attorneys did and what the status was on Bob Church's replacement.

Mr. Stephens indicated that, of the five city attorneys, two were full-time prosecutors, and three focused on civil matters. Much of what the attorneys did do overlapped in responsibility. The City was in the process of recruiting for Bob Church's replacement.

Mayor Brunst asked what the cost of the used generator was. Mr. Davidson said staff would get back to him on the price.

Mr. Andersen inquired about turnout replacement for the firefighters. Mr. Bybee said parts two and three of the budget discussions would cover the replacement of SCBAs for the firemen.

Mr. Macdonald, referring to storm fees on the City's utility bill, he was shocked to find how underfunded the City was to that end. He said the amount being collected for the service was substantially less than the cost to provide it. Mr. Macdonald did not believe 5 percent was adequate.

Mrs. Black added that Orem did not charge significant impact fees while most other cities did.

### **5:00 P.M. STUDY SESSION**

#### **CONDUCTING**

Mayor Richard F. Brunst, Jr.

#### **ELECTED OFFICIALS**

Councilmembers Hans Andersen, Margaret Black, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner

#### **APPOINTED STAFF**

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Richard Manning, Administrative Services Director, Greg Stephens, City Attorney; Karl Hirst, Recreation Director; Keith Larsen, Traffic Operations Section Manager; Scott Gurney, Interim Public Safety Director; Charlene Crozier, Library Director; Heather Schriever, Assistant City Attorney; Steven Downs, Assistant to the City Manager; and Taraleigh Gray, Deputy City Recorder

#### **Preview of Upcoming Agenda Items**

Staff presented a preview of upcoming agenda items to the Council.

#### **Review Agenda Items**

The Council and staff reviewed the agenda items.

#### **City Council New Business**

There was no new City Council new business.

The Council adjourned at 5:55 p.m. to the City Council Chambers for the regular meeting.

### **6:00 P.M. REGULAR SESSION**

#### **CONDUCTING**

Mayor Richard F. Brunst, Jr.

#### **ELECTED OFFICIALS**

Councilmembers Hans Andersen, Margaret Black, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner

#### **APPOINTED STAFF**

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Richard Manning, Administrative Services Director, Greg Stephens, City Attorney; Karl Hirst, Recreation Director; Keith Larsen, Traffic Operations

Section Manager; Scott Gurney, Interim Public Safety Director; Charlene Crozier, Library Director; Heather Schriever, Assistant City Attorney; Steven Downs, Assistant to the City Manager; and Taraleigh Gray, Deputy City Recorder

## **INVOCATION /**

## **INSPIRATIONAL THOUGHT**

Judy Cox

## **PLEDGE OF ALLEGIANCE**

McKay Meeves

## **APPROVAL OF MINUTES**

Mr. Seastrand **moved** to approve the minutes from the following meetings:

- April 15, 2014 City Council Meeting
- April 17, 2014 Joint Meeting with Provo City Council

Mr. Sumner **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner. The motion **passed**, unanimously.

## **MAYOR'S REPORT/ITEMS REFERRED BY COUNCIL**

### Upcoming Events

The Mayor referred the Council to the upcoming events listed in the agenda packet.

### Upcoming Agenda Items

The Mayor referred the Council to the upcoming agenda items listed in the agenda packet.

### Appointments to Boards and Commissions

Mr. Seastrand **moved** to reappoint Donna Brocco and Phil Patten to the Recreation Advisory Commission. Mr. Macdonald **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner. The motion **passed** unanimously.

### Recognition of New Neighborhoods in Action Officers

No new Neighborhood in Action officers were recognized.

### Introduction – 2014 Miss Orem Royalty

Mayor Brunst read an introduction of Miss Orem Royalty's mission and vision. He invited the 2014 Miss Orem royalty to come forward and shake the hands of the City Council and take a photo.

### Proclamation – National Drinking Water Week

Mayor Brunst read a proclamation claiming May 4-10, 2014 as National Drinking Water Week. Mr. Andersen **moved** to accept the proclamation. Mr. Seastrand **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner. The motion **passed** unanimously.

## **CITY MANAGER APPOINTMENTS**

There were no City Manager appointments.

## **PERSONAL APPEARANCES**

Time was allotted for the public to express their ideas, concerns, and comments on items not on the agenda. Those wishing to speak should have signed in prior to the meeting, and comments were limited to three minutes or less.

Wayne Burr voiced concern for an increased utility tax due to UTOPIA. He said he concerned that UTOPIA was not native for citizens and said he circulated a petition to protest the City instilling a utility tax by \$20 to \$40 dollars. He said the fee was a tax and believed the added tax should not be visited upon the people. He asked the audience to sign a petition in the case the City tried to pass this kind of utility fee at a future date.

James Fawcett, resident, said companies succeed because of success. The secret of success was to go slow and “pay cash as you go.” He said people buy products because the product sells itself and that competition was what drove sales. A different thing came about when people were forced. He likened the information to the added utility fee with regard to UTOPIA. Mr. Fawcett shared experience attending a meeting in Payson. Mr. Fawcett said he believed Google knew how to sell its product.

Derrick Nuesmeyer, resident, said he had gotten in touch with the recreation department to ask for Dog Park. Mr. Nuesmeyer said he had to go to Sandy, Utah to get to a decent dog park. He asked the Council not to put it on the back burner, and offered assistance as an Orem resident to get it to come forth. He asked that momentum continue forward on the matter.

Sharon Anderson voiced concern for the UTOPIA issue. She said there were too many unanswered questions through the process. She asked what would happen if someone could not afford the added fees for the UTOPIA project. She said changing the name of something would not change what it cost or what it did. Mrs. Anderson shared a letter received from a citizen previous to the 2013 Orem municipal election. The citizen had been concerned about hiking taxes for those living on fixed incomes. Mrs. Anderson said she believed the proposed UTOPIA utility fee was far above what fixed-income citizens could afford and urged the City Council to carefully consider the needs of the citizens.

## **CONSENT ITEMS**

There were no consent times.

## **SCHEDULED ITEMS**

6:20 P.M. PUBLIC HEARING

RESOLUTION – Adopt Community Development Block Grant (CDBG) Final Statement of Projected Uses of Funds – 2014-2015

Mrs. Crozier presented to Council the CDBG Final Statement of Projected Use of Funds – 2014-2015. She indicated no changes to the initial presentation had been made. Mrs. Crozier extended appreciation for the individuals who have served on the part of CDBG.

#### Overview for plans for funding

Mrs. Crozier explained the funding available to allocate:

- New Entitlement: \$609,734
  - \$91,460 may be used for Public Services
  - \$518,274 may be used for Other Projects.
- Reprogrammed funds from previous years: \$105,064
- Program Income: \$35,000

#### Other Projects included the following:

- |                                |           |
|--------------------------------|-----------|
| • Habitat for Humanity         | \$ 35,000 |
| • Code Enforcement             | \$120,000 |
| • Infrastructure               | \$258,338 |
| • Section 108 Loan Repayment   | \$105,000 |
| • Business Revolving Loan Fund | \$ 25,000 |
| • Administration               | \$115,000 |

#### Public Service included the following:

- |  |           |
|--|-----------|
| • Family Support & Treatment               | \$ 10,000 |
| • Project Read                             | \$ 3,000  |
| • PERC                                     | \$ 2,000  |
| • Center for Women & Children in Crisis    | \$ 10,000 |
| • Community Action Services/Food Bank      | \$ 16,500 |
| • Mountainlands Community Health Center    | \$ 5,000  |
| • House of Hope                            | \$ 5,000  |
| • Big Brothers Big Sisters                 | \$ 1,000  |
| • Literacy Resources                       | \$ 2,000  |
| • RAH                                      | \$ 7,000  |
| • Friends of the Children's Justice Center | \$ 10,960 |
| • Friends of the Food and Care Coalition   | \$ 7,000  |
| • Utah County 4-H                          | \$ 2,000  |
| • Community Health Connect                 | \$ 4,000  |
| • Kids on the Move                         | \$ 6,000  |

Mrs. Crozier said all of the agencies provided a wide variety of services to the citizens of Orem.

Mayor Brunst asked what RAH stood for. Mrs. Crozier said it stood for Recreation and Habilitation.

In response to a query from the Mayor about what the code enforcement program covered, Mrs. Crozier explained that the code enforcement program used to be handled by Development Services. The City found it necessary to transfer the responsibility to the Public Safety Department. The enforcement officers addressed all kinds of issues, and through their efforts they also encountered criminal activity. The code enforcement officers were very positive and

proactive in what they did. They built a relationship with citizens in a friendly manner. Mrs. Crozier said the program was important to provide to the income-qualified neighborhoods in need.

Mayor Brunst reflected that it was a very proactive approach to control gang activity in Orem.

Mayor Brunst opened the public hearing.

Kena Mathews, resident, thanked the Council for continued support for Habitat's affordable housing mission and for CDBG assistance in neighborhood revitalization repair. She reported on a three-lot subdivision on 1020 North around 525 West, where three homes would be built for families in need. She said the project had been named after Mayor Washburn and Jim Reams.

Kristen Barrett, Big Brothers Big Sisters, thanked the Council for the funding consideration. She said it cost \$1,000 to match one child with the needs provided through the Big Brothers Big Sisters program which worked for the kids to be able to receive mentoring and guidance.

Bob Wright, resident, provided the Council with a written comment. He suggested the reimbursements be identified in the upcoming budget as an income budget for identification and clarification of where the funds were going.

Jared Jardine, resident, said it seemed like the administration costs to allocate the money was too high. He asked the Council to address and give explanation to that end.

Mayor Brunst closed the public hearing.

Mr. Spencer asked Mrs. Crozier to explain administration cost. Mrs. Crozier said the Community Neighborhood Services (CNS) manager position was a varied position. Part of the time spent in that position was handled with CDBG funds which were reimbursed. In the past a part-time rehabilitation specialist had been utilized to provide support to the CDBG program. Those two salaries, along with office needs, the CDBG portion of the audit, and other expenses made up the proposed \$115,000. It was a time-intensive job. HUD did place a cap on how much could be spent, which was 20 percent. Mrs. Crozier said she was not being paid multiple salaries. The position was a full-time position which received funding, in part, from three different sources.

Mrs. Crozier added that it was very challenging for nonprofit organizations to secure funding. Over time, CDBG had built good things in the community.

Mayor Brunst mentioned that he had worked with Kids on the Move and the Big Brothers, Big Sisters programs and appreciated the support given to community members in need.

Mrs. Black **moved**, by resolution, to adopt the updated Final Statement of Projected Uses of Funds for Orem's 2014-2015 Community Development Block Grant. Mr. Seastrand **seconded** the motion. Those voting aye: Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner. Those voting nay: Hans Andersen. The motion **passed**.

#### ORDINANCE – Enacting Article 13-5 of the Orem City Code

*This item was a continued discussion from the April 15, 2014 City Council meeting.*

Heather Schriever, Assistant City Attorney, and Bren Bybee, Assistant City Manager, presented to Council a request to amend the Orem City Code by an approving an ordinance that would grant the Recreation Director the authority to establish a framework that would fairly, equitably, and objectively allocate the City's recreation areas for the public use.

Mr. Bybee stated that the ordinance before the Council did not directly address fees. Any fees would be forthcoming and would be subject to the public hearing process.

Mrs. Schriever said there were two issues that the Council wanted staff to address. The Council wanted the opportunity to meet with the youth sports organizations and other athletic organizations. Those meetings had proven to be productive. The other issue the City Council had asked staff to address was the composition and authority to make appointments to the Recreation Area Allocation Committee (RAAC).

The RAAC would make recommendations to the recreation director as to the organizations that would be given priority access to the City's recreation areas. Initially the proposal was that the recreation director would make the appointments to the RAAC, but the Council had expressed concern with that. Staff had addressed the Council's concerns with the following:

The RAAC would be composed of three current members of the Recreation Advisory Commission, three Orem residents, and one City employee. RAAC members would be appointed by the Mayor, with the advice and consent of the City Council. The RAAC term of office would be for a period of three years.

Mr. Spencer asked if the ordinance contained the requirement that a Council member would serve as a liaison to the RAAC. Mrs. Schriever said there was nothing specifically in the ordinance, but that it was common practice for the Mayor to appoint a Councilmember to serve as a liaison.

Mayor Brunst said there were questions about fees. Mrs. Schriever said the fees would be proposed by the recreation director but would reviewed and set by the Council.

Mayor Brunst then said Orem had some of the best, well-kept fields in the state and commended the recreation director for the efforts to maintain the quality of Orem's resources.

Mr. Spencer asked if the ordinance applied to city-run sports organizations. Mrs. Schriever said the ordinance allowed the recreation director to create a policy that would govern how the recreation department would administer its own programs when it came to allocations of field usage. Mr. Spencer asked if it should be clarified that the City would be given priority. Mrs. Schriever said Orem would come first unless there was some exception that could be made regarding some substantial economic benefit to the City that would require or incentivize allowing someone else to use the field instead of the City.

Mr. Sumner asked if the policy would be reviewed annually. Mrs. Schriever said the agreements and designation for priority status would be reviewed and renewed every three years. The actual use of the fields would be allocated on an annual basis.

Mr. Macdonald asked about residents serving on the RAAC. He suggested the language state that the committee be composed of three current members serving on the Recreation Advisory Committee, three *additional* residents of Orem, and one City employee.

Mrs. Schriever said the amendment could be made.

Mr. Andersen proposed two amendments. He suggested adding that the fees would be taken from CARE funds. Mr. Andersen also proposed that four residents serve on the RAAC with no City employee serving as a voting member.

Mr. Spencer suggested that since a liaison from the City Council would be present, a checks and balance system would be in place.

Mr. Andersen expressed concern that a City Council member could not vote.

Mr. Sumner asked if all groups could apply for CARE funds if they met the criteria. Mrs. Black said the City could apply.

Mr. Seastrand said the fee structure could be addressed in the budget.

Mr. Stephens indicated there was a way to accomplish what Mr. Andersen had suggested. The CARE money could not be used to pay fees but could be used to pay for operational facilities.

Mayor Brunst said he believed the concern involved how CARE tax funds were allocated and spent, which would be another discussion.

Mr. Stephens cautioned against formalizing through ordinance a commitment to always fund through the CARE funds.

Mr. Davidson said an application for use of CARE funds would have to be in place for the allocations of funds to be used in that manner.

Mr. Seastrand **moved**, by ordinance, to enact Article 13-5 of the Orem City Code, with the modification with Mr. Macdonald's proposal that the committee be composed of three current members serving on the Recreation Advisory Committee, three additional residents of Orem, and one City employee. Mrs. Black **seconded** the motion. Those voting aye: Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner. Those voting nay: Hans Andersen. The motion **passed**.

## COMMUNICATION ITEMS

Mr. Davidson reminded the Council about that evening's special joint meeting scheduled to take place following the scheduled meeting.

Mr. Davidson addressed Mayor Brunst's question about the generator for water resources, saying the used generator was purchased for \$149,000 and at the time of purchase had 1,100 hours on it. The purchase was made to support the pumping of the water system in the event that the City experienced a power outage.



Mr. Davidson said several individuals had inquired about Battalion Chief Layne Pace's recovery. Scott Gurney, Interim Public Safety director gave a brief update on the recovery and rehabilitation process.

Mr. Davidson said it was fortunate for that Orem Public Safety had a Rapid Intervention Team (RIT) in position when Battalion Chief Pace was injured.

### **CITY MANAGER INFORMATION ITEMS**

At the request of Mayor Brunst, Mr. Davidson spoke of the progress of the State Street Revitalization process. He said some of the partners in the process included the Utah State Department of Transportation (UDOT), Utah Transit Authority (UTA), Mountainland Association of Governments (MAG), and the City of Orem. The City was still in the process of making contact with Utah Valley University (UVU) in taking part in the process. The idea was to prepare a request for proposal (RFP), one that had already been reviewed and received the green light from UDOT, UTA, and MAG. The City was waiting on final language details of the RFP.

Mr. Davidson said Orem was excited about the process to bring new ideas in how to address the needs of the five-mile long corridor.

### **ADJOURNMENT**

Hans Andersen **moved** to adjourn to the Special Joint Council meeting with the Lindon and Payson city councils. Mr. Spencer **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner. The motion **passed**.

The meeting adjourned at 7:08 p.m.

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Donna R. Weaver, City Recorder

Approved: May 13, 2014